

RECORDATION NO. 17977 FILED

MAR 17 '99

1-15 PM

EXECUTION VERSION

MEMORANDUM OF PURCHASE AGREEMENT

This Memorandum of Purchase Agreement dated as of March 17, 1999, between NATIONAL RAILWAY EQUIPMENT CO., an Illinois corporation ("Seller"), and THE CIT GROUP/EQUIPMENT FINANCING, INC., a New York corporation ("Purchaser").

1. Seller owns the twenty-eight (28) locomotives described on Schedule 1 (the "Locomotives").
2. Seller leases the Locomotives to Union Pacific Railroad Company (as successor in interest to Southern Pacific Transportation Company) pursuant to that certain Equipment Lease dated as of March 31, 1993 as supplemented by Lease Supplement No. A-1 executed April 6, 1993, Lease Supplement No. A-2 executed April 6, 1993, Lease Supplement No. A-3 executed April 6, 1993, Lease Supplement No. A-4 executed April 6, 1993, Lease Supplement No. A-5 dated as of May 19, 1993 and Lease Supplement No. A-6 dated as of May 19, 1993 and as amended by Amendment Agreement No. 1, dated as of October 1, 1993, to Lease Supplement No. A-4 (the "Lease").
3. Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, the Locomotives and all rights of Seller in, to and under the Lease at the price and on the terms and conditions set forth in the Purchase Agreement dated as of March 17, 1999 between Seller and Purchaser.

This Memorandum of Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned have caused this Memorandum of Purchase Agreement to be duly executed as of the day and year first written above.

NATIONAL RAILWAY EQUIPMENT CO.

By: *S. J. Best*
Name: *S. J. Best*
Title: *PRESIDENT*

THE CIT GROUP/EQUIPMENT
FINANCING, INC.

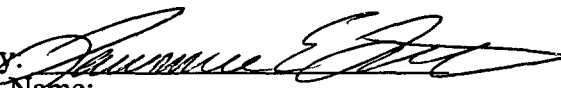
By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the undersigned have caused this Memorandum of Purchase Agreement to be duly executed as of the day and year first written above.

NATIONAL RAILWAY EQUIPMENT CO.

By: _____
Name:
Title:

THE CIT GROUP/EQUIPMENT
FINANCING, INC.

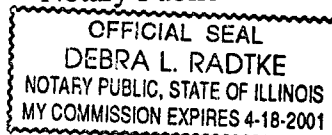
By: 
Name: LAWRENCE E. LITTLEFIELD
Title: VICE PRESIDENT

STATE OF Illinois)
) ss.:
COUNTY OF Will.)

On this 24th day of February, 1999, before me personally appeared Lawrence Radtke, to me personally known, who, being by me duly sworn, says that (s)he is President of NATIONAL RAILWAY EQUIPMENT CO., that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Debra L. Radtke
Notary Public

My commission expires 4-18-2001.



STATE OF NEW YORK
COUNTY OF NEW YORK

)
) : SS.:
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On this 26th day of FEBRUARY, 1999, before me personally appeared Laurence LITTLEFIELD, to me personally known, who, being by me duly sworn, says that (X) he is Vice-President of THE CIT GROUP/EQUIPMENT FINANCING, INC., that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (X) he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Barbara Garner
Notary Public

My commission expires _____

BARBARA GARNER
Notary Public, State of New York
No. 01GA5065133
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires Sept. 3, 1999
2000

SCHEDULE 1

UNIT NUMBERS OF LOCOMOTIVES

SP 7400	SP 9373
SP 9194	SP 9385
SP 9245	SP 9392
SP 9254	SP 9395
SP 9273	SP 9400
SP 9294	SP 9401
SP 9300	SP 7486
SP 9308	SP 9243
SP 9328	SP 9282
SP 9337	SP 9330
SP 9345	SP 9333
SP 9347	SP 9375
SP 9359	SP 9391
SP 9362	SP 9402